



Local Officials Directory

Municipal Calendar

IGR's & Bulletins

Workshops, Seminars & Events

What's New

DOR 360



City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

Dan Bertrand, Editor
Marilyn Browne, Editor Emeritus

Editorial Board: Robert Nunes, Robert Bliss, Zack Blake, Amy Handfield

In this Issue:

- **\$4M in Funding for CIC Grants Announced at Regionalization Conference**
- **Speeding Up Tax Rate Setting**
- **Operational Services Division Award and Event Information**
- **Register Today for "What's New in Municipal Law"**

\$4 Million in Funding for Community Innovation Challenge (CIC) Grants Announced at Fourth Annual Regionalization Conference

In front of a crowd of over 200 municipal and state officials from across the commonwealth, Lieutenant Governor Timothy Murray announced the second round of Community Innovation Challenge (CIC) grants for Fiscal Year 2013 at the 4th Annual Regionalization Conference last week. Building upon the success of the first round of CIC grants, \$4 million will be made available to support local government innovations through regional collaborations. DOR's Division of Local Services, Franklin Regional Council of Governments, and the Massachusetts Association of Regional Planning Agencies (MARPA) hosted the conference that began with opening remarks from Lieutenant Governor Murray, DOR Commissioner Amy Pitter, DOR Deputy Commissioner Robert Nunes and Marc Draisen, Executive Director of the MARPA. The conference offered a series of morning workshops and afternoon roundtable discussions with panelists sharing their insights and experiences on regionalizing municipal services and best practices.

"As a Commonwealth, it is in our shared interest to provide communities with tools and resources to implement or improve regional services," said Lieutenant Governor Murray. "Governor Patrick and I are committed to working with cities and towns as well as our partners in the state legislature to increase local cooperation and make government at all levels more efficient and effective in the delivery of municipal services for our residents."

"Our new fiscal reality demands that we invest in and incentivize innovation among local governments to find more efficient ways to deliver core local services," said Secretary of Administration and Finance Jay Gonzalez. "Regionalization resources and best practices help cities and towns throughout the Commonwealth identify compelling proposals that will cut costs to preserve core services."

CIC grants will provide financial support for one-time or transition costs related to innovative regionalization and other efficiency initiatives in local governments. By improving the effectiveness of shared programs and services, the Commonwealth is able to spend taxpayer money more efficiently, maximizing the impact of every dollar spent. During the first grant round, 100 applications were received from cities and towns. In total, the Executive Office for Administration and Finance awarded \$4 million in grants to 27 programs throughout Massachusetts for programs including facilities management, public safety, public health, education and the environment. The CIC program second round will be accepting applications starting September 12. To date, the CIC grant program involves 138 communities and has impacted over 2.7 million people throughout the Commonwealth.

Applications, information session dates and times, and guidelines are available on the program website: <http://www.mass.gov/anf/budget-taxes-and-procurement/working-for-you/community-innovation-challenge-grant/>

To view presentations and video from the conference, please click here: <http://www.mass.gov/dor/local-officials/regionalization-conference.html>

Speeding Up Tax Rate Setting

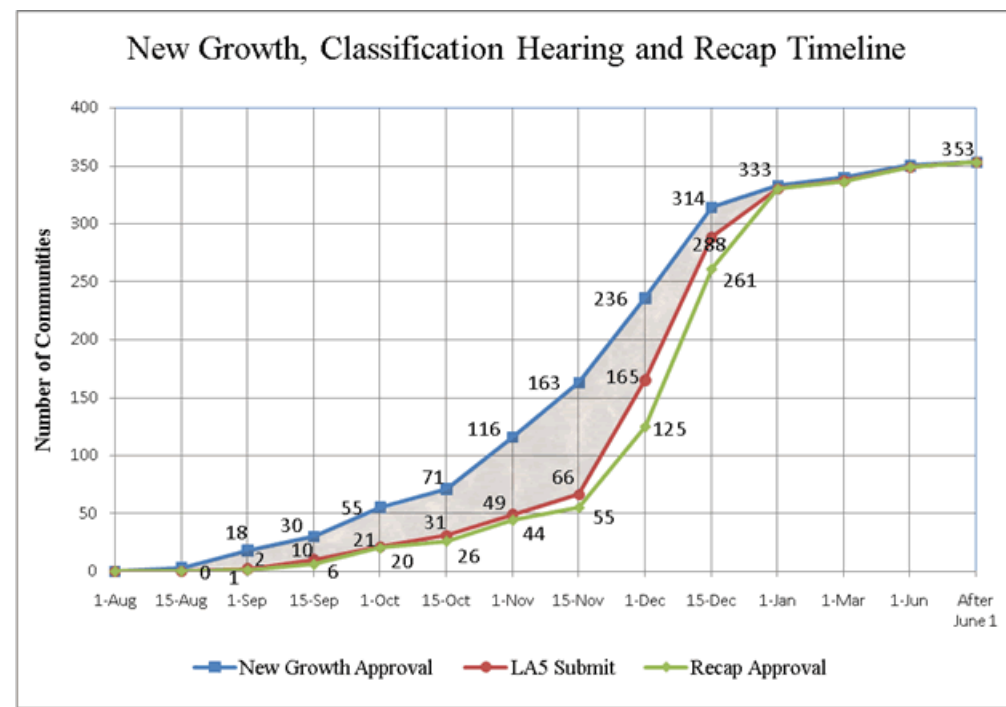
Marilyn H. Browne and Donna Demirai, Bureau of Local Assessment

What slows down tax rate setting? Conventional wisdom has it that the culprit is the Bureau of Local Assessment's approval of tax base levy growth (new growth). During my tenure as Bureau Chief, I bought into that theory as well but our analysis paints a different picture. Please keep in mind that there will be communities whose tax rates will be contingent upon the successful completion of the three-year certification of property values; communities who wait for their town meeting to approve a tax rate or to appropriate from free cash; communities whose quarterly billing cycle diminishes a sense of urgency in setting a tax rate before the end of December; and new growth issues and/or accounting issues that delay

tax rate setting, but overall it turned out that new growth approvals are not the holdup.

We analyzed our Bureau of Local Assessment performance for FY2012 and subsequently added the difference in time between new growth approvals and tax rate setting by the Bureau of Accounts (BOA). What truly surprised us was to see that the number of new growth approvals is significantly more than the tax rate approvals at any given date. We wondered why and decided to look at when the LA-5 forms were submitted by cities and towns. The LA-5 Options and Certification form is what communities complete after they hold their Classification Hearings. This is when they decide whether to use single or multiple tax rates and if they are going to give any discounts to open space or exemptions to residential taxpayers, etc.. This is typically one of the last reporting forms the BOA receives before it can set the tax rate.

If you look at the below graph, you'll see that once the BOA receives the LA-5 forms the tax rates are quickly set, but there is a large gap between new growth approvals and tax rate setting by as many as 111 communities on December 1st.



A major consideration in the timing of tax rate setting is that 276 or 78 percent of the 353 jurisdictions in Massachusetts bill quarterly. Quarterly billing communities have an obligation to get their actual tax bills out on or before December 31st or risk losing the two equal installment payments and have the whole bill paid in one installment at the later scheduled date. This puts pressure on communities to get their rates set timely before the end of the calendar year, but more often than not tax rate documents are not submitted until perilously close to the deadline.

Also, please note that 208 tax rates or 59 percent of all rates were set in the month of December which creates a bottleneck. Because many communities use the same tax billing companies to print their bills, that large demand in a short period of time could potentially adversely affect timely quarterly tax bill printing.

So what can we do about closing this gap and the December bottleneck? 1.) It appears that there needs to be a consistent community effort state wide to prepare for and hold classification hearings earlier, as soon as assessed values and new growths are approved and not wait to submit documents until late in the year. 2.) Communities, particularly those that traditionally have a single tax rate (108 in FY2012 or 31 percent) or a consistent percent shift, should consider holding classification hearings earlier without making decisions. Once the Department of Revenue determines the full and fair cash value percentages of the classes of property and the lowest residential factor allowable, the Division will accept a subsequent or confirming vote that meets the requirements of the law. Clearly, the BOA sets tax rates very near to the time the LA-5s are submitted, but the Division of Local Services has no control over when classification hearings are held in cities and towns, they are strictly a local matter.

The Division will make every effort to work with selectmen and mayors to encourage their flexibility in scheduling classification hearings. We will also work with assessors and accountant associations, etc., to make them aware of the issues and encourage them to prepare for classification hearings earlier so that we can get those rates set sooner and avoid the end of the calendar year logjam.

Operational Services Division Award and Event Information

Kristine Resendes, OSD Communications Manager

The Operational Services Division (OSD) is encouraging Commonwealth agencies, departments, and municipalities to take advantage of the application deadline extension for the Leading By Example (LBE) Awards that recognize environmental accomplishments! The new award application deadline has been

extended one week from September 21st to September 28th. The award ceremony is scheduled for October 25th at 10:00 a.m. in the State House. Again, we encourage agencies and campuses to fill out an award application as we know there is quite an extensive amount of great work going on. You can download the form from the LBE website (<http://www.mass.gov/eea/leadingbyexample>) under related documents.

In other news, the Operational Services Division will be hosting a Kickoff Event for the newly awarded Statewide Contract OFF33: Print, Copy & Mail Services and Printed Promotional Products. This Kickoff Event, designed especially for you, the buyer, will provide an opportunity to not only review how to use Contract OFF33 in a meeting at the start of the event, but also to meet and network with the newly awarded vendors.

A new time saving advancement within this contract is the easy to use cost table for selected popular items within Categories 2 & 4. If your agency or department is looking for these fantastic services, mark your calendar and come meet the vendors on October 11th! For questions please contact, Susan Aalpoel, Event Coordinator at 617-720-3387 or Susan.Aalpoel@state.ma.us

Date: Thursday, October 11, 2012

Time: How to Use Contract OFF33 - 2:00 PM - 2:30 PM

OFF33 Networking Event - 2:30 PM- 4:30 PM

Location: The McCormick Building - 21st Floor Conference Room, One Ashburton Place, Boston

Registration: <http://off33training.eventbrite.com>

Register Today for "What's New in Municipal Law"

The Division of Local Services Legal Staff will offer its annual "What's New in Municipal Law" seminar on Tuesday, October 2, 2012 at the Log Cabin Banquet and Meeting House in Holyoke and Friday, October 5, 2012 at the Lantana in Randolph.

The morning general session will include a review of new legislation and recent court decisions pertaining to local government. The afternoon session will consist of three simultaneous workshops on the following topics: (1) local tax issues, including assessment of phased condominiums and action on abatement applications under the open meeting law; (2) municipal finance issues, including the amended Community Preservation Fund and other special funds, and (3) home rule issues, including charter changes and bylaws/ordinances related to finance officers and procedures.

Advanced registration is required. [Click here for information on how to register.](#)

If you have any questions, contact DLS Training Coordinator Donna Quinn at 617-626-3838 or by email at dlsregistration@dor.state.ma.us.

SEPTEMBER MUNICIPAL CALENDAR

September 15: Accountant/ Assessors

Jointly Submit Community Preservation Surcharge Report

This report (CP-1) is a statement of the prior year's net Community Preservation Surcharge levy, and is used to distribute state matching funds on November 15.

September 15: Local Reporting Officers

Submit Smart Growth School Cost Reimbursement Report to DLS

Local Reporting Officers report (a) local smart growth property tax and excise tax revenue for prior fiscal year or (b) municipality's waiver of reimbursement.

September 30: Taxpayer

Deadline for Submitting Forest Land Certification and Management Plan, M.G.L. Ch. 6

According to M.G.L. Ch. 61, Section 2, this is the deadline to submit to the Assessors the State Forester's certification and approved management plan in order to have the land valued as classified forest land in the next fiscal year.

September 30: Municipal and District Treasurer/Collector

Submit Compensating Balance Report

If compensating balance accounts were maintained during the prior fiscal year, a report and account analysis schedules must be

submitted to DOR.

September 30: Accountant/ Superintendent/ School Committee
Jointly Submit End of Year Report to the DESE

Schedule 1 - determines compliance with prior year Net School Spending requirement.
Schedule 19 - determines compliance with current year Net School Spending requirement.

September 30: Accountant
Submit Snow and Ice Report

This report is a statement of snow and ice expenditures and financing sources.

September 30: Treasurer
Year-End Cash Reconciliation for the Previous Fiscal Year (due upon submission of a balance sheet for free cash/excess and deficiency certification)

A reconciliation is the process of comparing the Treasurer's accounts to the Accountant's/ Auditor's or Schools Business Manager's ledger balance to determine if they are consistent, and for the officials to make any necessary corrections. When the reconciliation is complete, the Accountant/Auditor/School Business Manager should indicate agreement with the Treasurer's balances. Reconciliations are required annually, but communities and school districts should reconcile monthly for their own purposes. The year-end report as of June 30 must be completed and returned to DOR. Municipalities and school districts should also use monthly reports to monitor cash practices of the Treasurer's office. If the Accountant/Auditor/School Business Manager and Treasurer are not consistently reconciling cash accounts, or if the reconciliations indicate variances, the Mayor, Selectmen or School Committee should inquire as to the reasons.

September 30: Treasurer
Submit Statement of Indebtedness

Massachusetts General Laws Ch. 44, Sec. 28 requires the Director of Accounts to maintain complete and accurate records of indebtedness by cities, towns and districts. This statute also requires Treasurers to furnish any other information requested by the Director in respect to the authorization and issuance of loans. This Statement is the annual report required from Treasurers to accomplish this purpose. Treasurers should reconcile their debt records with the Accountant/Auditor before filing the Statement of Indebtedness to ensure that the Statement and balance sheet are in agreement.

September 30: State Treasurer

Notification of Quarterly Local Aid Payments on or Before September 30

When local aid payments are transmitted to communities, the cover letter indicates what funds will be made available, less quarterly assessments (see Cherry Sheet attachment for details).